

IRS News Release

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IRS e-file Marks its 20th Year; Electronic IRS Makes Debut

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WASHINGTON — Taxpayers may file their 2005 tax returns electronically beginning January 13 as IRS e-file celebrates its 20th anniversary as the most successful and popular electronic financial programs in the world and the cornerstone of Internal Revenue Service's modernization efforts.

To mark this milestone of IRS e-file, the IRS today also is launching the Electronic IRS, a centralized source for all IRS electronic options. Taxpayers and tax preparers who click on the Electronic IRS logo, located at IRS.gov, will be taken to a page that contains an overview of all the electronic tasks that can be accomplished online.

"Last year, more than half of the nation's taxpayers used IRS e-file. This year, we hope even more people will consider filing electronically. It's the fastest, safest and most accurate way to file your tax return," said IRS Commissioner Mark W. Everson. "This year, we have our electronic services available in one place at the new Electronic IRS section of our web site. The Electronic IRS provides a gateway to services for both taxpayers and tax preparers and makes these services available 24 hours a day, seven days a week."

IRS e-file surpassed a benchmark last year when more than 68.4 million tax returns, 52 percent of all returns, were filed electronically. Taxpayers who use IRS e-file and who choose direct deposit can receive their refund in half the time. Also, tax return information is protected through encryption, and an e-filed tax return is far more accurate than a paper return. Taxpayers receive an acknowledgement within 48 hours that the IRS accepted the return.

IRS e-file allows taxpayers to file their return and pay later should they owe taxes, and it allows taxpayers to file both the federal and most state returns at the same time.

The IRS began the e-file program in 1986 as a pilot project in three cities: Cincinnati, Ohio, Phoenix, Ariz., and Raleigh-Durham, N.C. That year, there were 25,000 tax returns filed electronically. The e-file program expanded nationwide in 1990 and 4.2 million tax returns were filed. IRS e-file has undergone tremendous growth each year.

Taxpayers may use IRS e-file through their tax preparer, over-the-counter software or Internet programs. The IRS does not charge for e-file, but some tax preparers and software manufacturers may charge a fee. IRS Free File, a partnership between the IRS

and some software manufacturers, will offer free tax preparation and e-filing for taxpayers earning \$50,000 or less. It will be available later this month.

The Electronic IRS is a one-stop option for both taxpayers and tax preparers, providing access to information about e-file and numerous IRS Internet options.

For taxpayers, the Electronic IRS provides access to "Where's My Refund?" where they can check the status of their refund, find an IRS e-file provider, check their eligibility for the Earned Income Tax Credit, download tax forms, sign up to pay electronically or obtain an employer identification number.

For tax preparers, the Electronic IRS provides access to the register for IRS e-services, to become an authorized e-file provider, to submit electronic inquiries on tax issues or obtain a preparer tax identification number among a host of other tasks.

The Electronic IRS is the gateway to the many IRS electronic options for individuals, large businesses, small businesses, software companies and tax-exempt organizations.

An IRS priority is to increase the number of electronic options for all its customers. The goal is to provide easier access to the IRS and give people the ability to do more transactions online. Through its modernization efforts and new online product development, the IRS is on its way to provide an all-electronic IRS that expands services to taxpayers and tax preparers.